



## **PUBLIC CONSULTATION REGARDING THE DRAFT DECREE ESTABLISHING THE LEGAL FRAMEWORK FOR PARTICIPATION FINANCE**

Participation finance consists of a set of financial products and services rooted on principles such as (i) not charging and paying interest (usury), (ii) non-participation in contracts exposed to excessive risks or business uncertainty, (iii) prevention of investments in activities considered prohibited, and (iv) speculation. This type of banking has been adopted in several countries, proving an alternative to its traditional form.

In light of the premises associated with participation finance introduced by Law No. 20/2020, of December 31, Credit Institutions and Financial Companies Act, operationalizing said activities requires that rules be laid down, by setting the requirements for the incorporation and operation of institutions exclusively geared towards participation finance, or implementing participation banking windows in conventional financial institutions.

In this regard, the draft decree establishing the legal framework for participation finance was drawn up.

In order to gather inputs on the draft, the Banco de Moçambique makes the link to the draft decree and the comments and suggestions matrix thereof available below to be filled out by April 1, 2025 and e-mailed to: DIRE\_MAIL@bancomoc.mz

Maputo, 25 de Fevereiro de 2025